COOPERSVILLE AREA PUBLIC SCHOOLS

REPORT ON FINANCIAL STATEMENTS
(with required supplementary and
additional supplementary information)

YEAR ENDED JUNE 30, 2022

Maner
Costerisan

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Coopersville Area Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coopersville Area Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Coopersville Area Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Coopersville Area Public Schools as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coopersville Area Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coopersville Area Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Coopersville Area Public Schools' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Coopersville Area Public Schools' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coopersville Area Public Schools' basic financial statements. The accompanying additional supplementary information, as identified in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information, including the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2022 on our consideration of Coopersville Area Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coopersville Area Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coopersville Area Public Schools' internal control over financial reporting and compliance.

Maner Costerisan PC

October 10, 2022

COOPERSVILLE AREA PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Coopersville Area Public Schools ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2022. Please read it in conjunction with the District's financial statements which immediately follow this section.

District-Wide Financial Statements

The first two statements are District-wide financial statements that provide short-term and long-term financial information about the District's overall financial status. These statements are required by generally accepted accounting principles (GAAP) as described in the Government Accounting Standards Board (GASB) Statement No. 34. The statements are compiled using the full accrual basis of accounting and more closely represent financial statements presented by business and industry. All of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, both short- and long-term, are reported. As such, these statements include capital assets, net of related depreciation, as well as the bonded debt and other long-term obligations of the District resulting in total net position.

Over time, increases or decreases in the District's net position is one indicator of whether its financial position is improving or deteriorating. To assess the District's overall financial health, one should consider additional factors which may include the State's and/or region's economic condition, changes in the District's property tax base, and age and condition of its capital assets.

Fund Financial Statements

For the most part, the fund financial statements are comparable to financial statements for the previous fiscal year. The fund level statements are reported on a modified accrual basis in that only those assets that are deemed "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The formats of the fund statements comply with requirements of the Michigan Department of Education's "Accounting Manual". In the state of Michigan, school districts' major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in various other funds categorized as Special Revenue, Debt Service, and Capital Projects Funds.

The District also utilizes a proprietary internal service fund to provide early retirement incentives to District employees. This fund is reported on the accrual basis of accounting and distinguishes operating revenues from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. The District-wide financial statements incorporate data from both the governmental funds and the proprietary internal service fund.

In the fund financial statements, capital assets purchased are considered expenditures in the year of acquisition with no asset being reported. The issuance of debt is treated as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. The obligations for future years' debt service are not recorded in the fund financial statements.

Summary of Net Position

The following schedule summarizes the net position for the fiscal years ended June 30, 2022 and 2021:

	June 30, 2022	June 30, 2021
Assets		
Current and other assets	$ 14,727,113	$ 14,110,845
Capital assets	61,125,562	62,624,405
Total assets	75,852,675	76,735,250
Deferred outflows of resources	13,052,941	15,274,061
Liabilities		
Long-term liabilities outstanding	69,156,347	72,785,680
Net pension liability	36,597,424	51,587,217
Net other postemployment benefits liability	2,403,200	8,118,748
Other liabilities	4,231,516	4,567,386
Total liabilities	112,388,487	137,059,031
Deferred inflows of resources	23,907,682	8,926,058
Net position		
Net investment in capital assets	(5,862,373)	(7,936,015)
Restricted for food service	290,199	308,904
Unrestricted	(41,818,379)	(46,348,667)
Total net position	$ (47,390,553)	$ (53,975,778)

Analysis of Financial Position

During the fiscal year ended June 30, 2022, the District's net position increased by $6,585,225. A few of the more significant factors affecting net position during the year are discussed below:

- Cash Equivalents, Deposits and Investments

  At June 30, 2022, the District's cash equivalents, deposits and investments amounted to $9,389,225. This represented an increase of $835,744 from the previous year, resulting primarily from increases in State funding in response to the COVID-19 pandemic.

Analysis of Financial Position (continued)

- Capital Outlay Acquisitions

  For the fiscal year ended June 30, 2022, $1,124,106 of expenditures were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated over time as explained below.

  The net effect of the new capital assets, assets disposed of during the fiscal year, and the current year's depreciation is a net decrease to capital assets in the amount of $1,498,843 for the fiscal year ended June 30, 2022.

- Depreciation Expense

  GASB 34 requires school districts to maintain records of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in the net position.

- Bonded Debt

  For the fiscal year ended June 30, 2022, the District's bonded debt decreased by $16,161,637 as a result of current year repayments of previously issued bonded debt and current year amortization of premiums on previously issued bonds. At fiscal year-end, approximately $56.2 million of principal was outstanding with approximately $3.9 million due within one year.

- School Loan Revolving Program

  As part of its strategic financing strategy, the District borrowed from the State of Michigan School Loan Revolving Program in the amount of $12,506,779 while accruing additional interest of $40,034.

- Accumulated Compensated Absences and Termination Benefits

  At June 30, 2022, the District had an obligation to employees for the portion of earned compensated absences and termination benefits that they would be entitled to upon separation in the amount of approximately $395,000.

Results of Operations

For the fiscal years ended June 30, 2022 and 2021, the results of operations, on a District-wide basis, were:

	Fiscal Year Ended June 30, 2022		Fiscal Year Ended June 30, 2021	
	Amount	%	Amount	%
General revenues				
Property taxes	$ 7,060,938	17.29%	$ 6,755,644	17.50%
State sources, unrestricted	19,787,797	48.45%	19,569,866	50.69%
Unrestricted Medicaid revenue	161,990	0.40%	99,281	0.26%
Investment earnings	60,753	0.15%	63,879	0.17%
Other	480,750	1.18%	397,761	1.03%
Total general revenues	27,552,228	67.46%	26,886,431	69.65%
Program revenues				
Charges for services	1,161,437	2.84%	770,007	1.99%
Operating grants and contributions	12,128,252	29.70%	10,947,033	28.36%
Total revenues	40,841,917	100.00%	38,603,471	100.00%
Expenses				
Instruction	17,174,143	50.13%	20,202,375	52.90%
Support services	10,096,943	29.47%	10,836,991	28.38%
Community services	345,936	1.01%	315,172	0.83%
Food services	1,504,335	4.39%	1,275,743	3.34%
Center Stage	42,237	0.12%	17,491	0.05%
Student/school activities	334,575	0.98%	192,313	0.50%
Interest on long-term debt	2,164,868	6.32%	2,851,508	7.47%
Depreciation - unallocated	2,593,655	7.57%	2,497,170	6.54%
Total expenses	34,256,692	100.00%	38,188,763	100.00%
Change in net position	$ 6,585,225		$ 414,708	

Analysis of Significant Revenues and Expenses

Significant revenues and expenditures are discussed in the segments below:

- Property Taxes

  The District levied 17.8308 mills of property taxes for operations on non-principal residence exempt property for the 2021 tax year. According to Michigan law, the tax levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of increase in the prior year's Consumer Price Index or 5%, whichever is less. At the time that property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is one half of the property's market value. At June 30, 2022, there were no unpaid property taxes.

Analysis of Significant Revenues and Expenses (continued)

- State Sources

  The majority of the unrestricted state sources of revenues is comprised of the per student foundation allowance. The State of Michigan funds school districts based on a blended student enrollment. For the 2021-2022 fiscal year, the District received $8,700 per student full time equivalent. The student foundation allowance amount increased $589 when compared to the 2020-2021 fiscal year.

- Operating Grants and Contributions

  The District receives a significant portion of its operating revenue from categorical grants. For the fiscal year ended June 30, 2022, federal, state, and other grants and contributions amounted to $12,128,252. This represents an 10.79% increase over the $10,947,033 received for the 2020-2021 fiscal year. This increase was primarily due to an increase in State categorical funding as well as increases in the Education Stabilization Funds in response to the pandemic.

Comparative Expenditures

A comparison of the expenditures reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances is shown below:

Expenditures	2021 - 2022	2020 - 2021	Increase (Decrease)
Instruction	$ 19,363,048	$ 18,887,158	$ 475,890
Supporting services	11,584,334	11,038,419	545,915
Community services	405,763	296,962	108,801
Food service activities	1,502,276	1,246,649	255,627
Center Stage	42,237	17,491	24,746
Student/school activities	334,575	192,313	142,262
Capital outlay	1,776,010	652,395	1,123,615
Debt service	17,911,111	33,149,693	(15,238,582)
Total expenditures	$ 52,919,354	$ 65,481,080	$ (12,561,726)

General Fund Budgetary Highlights

The Uniform Budgeting Act of the State of Michigan requires that the local Board of Education approve the annual operating budget prior to the start of the fiscal year on July 1. Any amendments to the original budget must be approved by the Board prior to the close of the fiscal year on June 30, 2022.

The following schedule shows a comparison of the original general fund budget, the final amended budget, and actual totals from operations for the fiscal year ending June 30, 2022.

	Original Budget	Final Budget	Actual	Final Variance with Budget	% Variance
Total revenues	$ 31,758,400	$ 33,646,700	$ 33,475,108	$ (171,592)	-0.51%
Expenditures					
Instruction	$ 18,653,100	$ 19,444,500	$ 19,363,048	$ 81,452	0.42%
Supporting services	11,352,300	11,677,200	11,584,334	92,866	0.80%
Community services	307,500	377,500	405,763	(28,263)	-7.49%
Capital outlay	25,000	50,000	35,725	14,275	28.55%
Total expenditures	$ 30,337,900	$ 31,549,200	$ 31,388,870	$ 160,330	0.51%
Other financing sources (uses)	$ (940,000)	$ (1,420,000)	$ (1,419,688)	$ 312	-0.02%

The original budget adopted by the Board in June 2021 was amended twice during the year. The amendments, approved in January and June 2022, reflected necessary changes to both revenues and expenditures based on projections made by the Chief Financial Officer. The final budget amounts were determined without clear guidance from the State regarding the state aid reduction discussed above.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2021-2022 fiscal year, the District had invested approximately $105.2 million as the original cost in a broad range of capital assets, including land, school buildings and facilities, school buses and other vehicles, and various types of equipment, resulting in a net decrease of $1,498,843 over the prior fiscal year after depreciation. Depreciation expense for the year amounted to $2,593,655, bringing the accumulated depreciation to approximately $44.0 million as of June 30, 2022.

	Cost	Accumulated Depreciation	2022 Net Book Value	2021 Net Book Value
Land	$ 1,281,607	$ -	$ 1,281,607	$ 1,281,607
Buildings and additions	83,987,407	30,381,808	53,605,599	55,058,786
Furniture and equipment	6,047,819	4,005,015	2,042,804	1,518,655
Transportation equipment	2,765,708	1,997,188	768,520	978,580
Land improvements	11,089,697	7,662,665	3,427,032	3,786,777
	$ 105,172,238	$ 44,046,676	$ 61,125,562	$ 62,624,405

Capital Asset and Debt Administration (continued)

Long-term Obligations

At June 30, 2022, the District had approximately $69.2 million in long-term obligations which included $56.2 million in outstanding bonded debt. The bonded debt obligations decreased during the year with $16,161,637 of previously outstanding bonds being redeemed. In addition to the bonded debt, the District has obligations for compensated absences and termination benefits estimated at approximately $395,000 and borrowings from the State of Michigan's School Loan Revolving program, including accrued interest in the amount of $12,547,814 at the end of the fiscal year.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following items that could significantly affect its financial health in the future:

- After 28 years since Proposal A of 1994 was passed in Michigan, the State's goal of closing the funding gap was achieved with the 2021-22 State Aid Act, bringing the lowest funded districts up to the base per pupil foundation allowance. The allowance is set at $9,150 for the 2022-23 school year, an increase of $450 per pupil over the 2021-22 School year.

- During the ongoing COVID-19 pandemic, the Federal Government passed multiple financial relief acts that provided support to states and school districts for the express purpose of addressing educational needs. These educational needs include the new challenges faced in educating students during the pandemic and the ongoing need to address subsequent learning loss. The District anticipates using funds from the Supplemental Elementary and Secondary School Emergency Relief, the American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund along with the State's Supplemental Per Pupil Equalization Funding over the next two fiscal years as allowed by legislation.

- With slight decline in enrollment post pandemic and rising costs in many areas including employee wages, employee health insurance, retirement contribution costs, and utilities, District administration continues to be diligent in maintaining a reasonable level of reserves (fund balance). Measures to accomplish this include, but are not limited to, cooperative agreements with Ottawa Area Intermediate School District as well as neighboring public and parochial schools and the continuation of strategic choices in how the District handles its non-instructional support services.

- In September 2012, the Governor signed P.A. 300 of 2012 - MPSERS Reform into law. This bill is the first step by the lawmakers to reform the Michigan Public Schools Employee Retirement System (MPSERS) in order to make it affordable and sustainable into the future. This law requires current school employees to make choices regarding their pension and retiree healthcare which could impact the District's and employee's contributions. It also sets the stage for addressing the ever-growing unfunded liability that MPSERS is facing. To date, these efforts have worked to reduce the unfunded liability on a state-wide basis.

Factors Bearing on the District's Future (continued)

- On May 3, 2022, the District asked voters to consider a building and site bond proposal to address current and future capital needs. Coopersville's voters voiced their support for its public schools in supporting the requested bond issue. The bonds will be issued in two series, one in August 2022 and the second in the summer of 2024. These needed resources will be used to enhance all buildings, including additions to West Elementary and the High School, and to the athletic fields programs. The resources will also be used to improve safety and security including campus traffic flow, enhance instructional technology, and ensure proper equipment and transportation needs are addressed now and in the near future.

- In the spring of 2022, the District entered into a collective bargaining agreement with its teachers. The contract runs through the 2024-25 school year and provides for annual increases for the teaching staff. Administration believes that this agreement allows financial predictability in its major expenditure component which continues to provide for financial stability.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional information, please contact the Chief Financial Officer at Coopersville Area Public Schools, 198 East Street, Coopersville, MI 49404.

BASIC FINANCIAL STATEMENTS

COOPERSVILLE AREA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 7,866,146
Investments	1,523,079
Receivables	
Accounts	17,910
Intergovernmental	5,061,033
Inventories	152,663
Prepaids	106,282
Capital assets not being depreciated	1,281,607
Capital assets, net of accumulated depreciation	59,843,955
TOTAL ASSETS	75,852,675
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	748,171
Related to pensions	8,761,862
Related to other postemployment benefits	3,542,908
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,052,941
LIABILITIES	
Accounts payable	549,414
Accrued salaries and related items	2,140,392
Accrued interest	244,838
Accrued retirement	896,880
Unearned revenue	399,992
Noncurrent liabilities	
Due within one year	3,952,148
Due in more than one year	65,204,199
Net pension liability	36,597,424
Net other postemployment benefits liability	2,403,200
TOTAL LIABILITIES	112,388,487
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	12,288,351
Related to other postemployment benefits	9,133,410
Related to state pension funding	2,485,921
TOTAL DEFERRED INFLOWS OF RESOURCES	23,907,682
NET POSITION	
Net investment in capital assets	(5,862,373)
Restricted for food service	290,199
Unrestricted	(41,818,379)
TOTAL NET POSITION	$ (47,390,553)

See notes to financial statements.

COOPERSVILLE AREA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	$ 17,174,143	$ -	$ 8,747,068	$ (8,427,075)
Support services	10,096,943	594,873	1,276,372	(8,225,698)
Community services	345,936	303,185	-	(42,751)
Food services	1,504,335	208,546	1,788,186	492,397
Center Stage	42,237	54,833	659	13,255
Student/school activities	334,575	-	315,967	(18,608)
Interest on long-term debt	2,164,868	-	-	(2,164,868)
Unallocated depreciation	2,593,655	-	-	(2,593,655)
Total governmental activities	$ 34,256,692	$ 1,161,437	$ 12,128,252	(20,967,003)
General revenues				
Property taxes, levied for general purposes				1,861,903
Property taxes, levied for debt service				5,199,035
Investment earnings				60,753
State sources - unrestricted				19,787,797
Medicaid revenue - unrestricted				161,990
Other				480,750
Total general revenues				27,552,228
CHANGE IN NET POSITION				6,585,225
NET POSITION, beginning of year				(53,975,778)
NET POSITION, end of year				$ (47,390,553)

See notes to financial statements.

COOPERSVILLE AREA PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Capital Improvement Fund	2015A Refunding	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 3,628,770	$ 2,980,300	$ -	$ 1,219,580	$ 7,828,650
Investments	1,523,079	-	-	-	1,523,079
Receivables					
Accounts	10,873	-	56	6,981	17,910
Intergovernmental	4,964,309	43,332	-	53,392	5,061,033
Due from other funds	7,947	-	-	7,947	15,894
Inventories	122,968	-	-	29,695	152,663
Prepaids	52,827	-	-	53,455	106,282
TOTAL ASSETS	$ 10,310,773	$ 3,023,632	$ 56	$ 1,371,050	$ 14,705,511
LIABILITIES					
Accounts payable	$ 388,227	$ 114,413	$ -	$ 46,774	$ 549,414
Accrued salaries and related items	2,131,028	-	-	9,364	2,140,392
Accrued retirement	889,826	-	-	7,054	896,880
Unearned revenue	381,241	-	-	18,751	399,992
Due to other funds	7,947	-	-	7,947	15,894
TOTAL LIABILITIES	3,798,269	114,413	-	89,890	4,002,572
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	43,332	-	-	43,332
FUND BALANCES					
Nonspendable					
Inventories	122,968	-	-	29,695	152,663
Prepaids	52,827	-	-	53,455	106,282
Restricted					
Food service	-	-	-	760,812	760,812
Debt service	-	-	56	140,899	140,955
Committed					
Center Stage	-	-	-	42,296	42,296
Student/school activities	-	-	-	254,003	254,003
Assigned					
Compensated absences	370,738	-	-	-	370,738
Capital projects	-	2,865,887	-	-	2,865,887

See notes to financial statements.

	General Fund	Capital Improvement Fund	2015A Refunding	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCES					
Unassigned	$ 5,965,971	$ -	$ -	$ -	$ 5,965,971
TOTAL FUND BALANCES	6,512,504	2,865,887	56	1,281,160	10,659,607
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 10,310,773	$ 3,023,632	$ 56	$ 1,371,050	$ 14,705,511

Total governmental fund balances		$ 10,659,607
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred charge on refunding, net of amortization		748,171
Deferred outflows of resources - related to pensions		8,761,862
Deferred inflows of resources - related to pensions		(12,288,351)
Deferred outflows of resources - related to other postemployment benefits		3,542,908
Deferred inflows of resources - related to other postemployment benefits		(9,133,410)
Deferred inflows of resources - related to state pension funding		(2,485,921)
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
The cost of the capital assets is	$ 105,172,238	
Accumulated depreciation is	(44,046,676)	
		61,125,562
Internal service fund net position		13,496
Revenue not recorded in the funds due to not being collected until after September 1st:		
Unavailable revenue - City of Coopersville pay-back agreement		43,332
Long-term liabilities are not due and payable in the current period and are not reported in the funds:		
Bonds payable and other debt		(68,761,609)
Compensated absences		(370,738)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid		(244,838)
Net pension liability		(36,597,424)
Net other postemployment benefits liability		(2,403,200)
Net position of governmental activities		$ (47,390,553)

See notes to financial statements.

COOPERSVILLE AREA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Capital Improvement Fund	2015A Refunding	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Local sources					
Property taxes	$ 1,861,903	$ -	$ 4,327,170	$ 871,865	$ 7,060,938
Food sales	-	-	-	86,668	86,668
Ticket sales	-	-	-	54,833	54,833
Student/school activities	-	-	-	315,967	315,967
Investment earnings	52,871	-	514	7,368	60,753
Other	584,734	119,391	-	151,493	855,618
Total local sources	2,499,508	119,391	4,327,684	1,488,194	8,434,777
State sources	26,498,006	-	153,394	147,569	26,798,969
Federal sources	1,576,965	-	-	1,675,312	3,252,277
Incoming transfers and other	2,900,629	-	-	-	2,900,629
TOTAL REVENUES	33,475,108	119,391	4,481,078	3,311,075	41,386,652
EXPENDITURES					
Current					
Instruction	19,363,048	-	-	-	19,363,048
Supporting services	11,584,334	-	-	-	11,584,334
Community service activity	405,763	-	-	-	405,763
Food service activity	-	-	-	1,502,276	1,502,276
Center Stage	-	-	-	42,237	42,237
Student/school activities	-	-	-	334,575	334,575
Capital outlay	35,725	1,473,219	-	267,066	1,776,010

See notes to financial statements.

	General Fund	Capital Improvement Fund	2015A Refunding	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (continued)					
Debt service					
Principal repayment	$ -	$ -	$ 11,950,000	$ 3,715,000	$ 15,665,000
Interest	-	-	733,000	1,464,362	2,197,362
Other	-	-	39,198	9,551	48,749
TOTAL EXPENDITURES	31,388,870	1,473,219	12,722,198	7,335,067	52,919,354
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,086,238	(1,353,828)	(8,241,120)	(4,023,992)	(11,532,702)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	312	-	-	-	312
Proceeds from school loan revolving fund	-	-	8,199,558	4,307,221	12,506,779
Transfers in	60,000	1,480,000	-	-	1,540,000
Transfers out	(1,480,000)	-	-	(60,000)	(1,540,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,419,688)	1,480,000	8,199,558	4,247,221	12,507,091
NET CHANGE IN FUND BALANCES	666,550	126,172	(41,562)	223,229	974,389
FUND BALANCES					
Beginning of year	5,845,954	2,739,715	41,618	1,057,931	9,685,218
End of year	$ 6,512,504	$ 2,865,887	$ 56	$ 1,281,160	$ 10,659,607

See notes to financial statements.

COOPERSVILLE AREA PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net change in fund balances total governmental funds	$ 974,389
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(2,593,655)
Capital outlay	1,124,106
Net book value of capital assets disposed	(29,294)
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable, beginning of the year	317,366
Accrued interest payable, end of the year	(244,838)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items are as follows:	
Payments on general obligation bonds	15,665,000
Interest on school loan revolving fund	(40,034)
Amortization of deferred charges on refunding	(82,373)
Amortization of general obligation bonds premium	496,637
Proceeds from school loan revolving fund	(12,506,779)
Revenue is recorded on the accrual method in the statement of activities; in the governmenal funds it is recorded on the modified accrual method and not considered available:	
Unavailable revenue, beginning of the year	(86,663)
Unavailable revenue, end of the year	43,332
Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences, beginning of the year	382,247
Accrued compensated absences, end of the year	(370,738)
Internal service fund change in net position	(48,448)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Pension related items	1,464,517
Other postemployment benefits related items	2,633,169
Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to section 147c pension benefits contributions subsequent to the measurement period:	
State aid funding, beginnning of the year	1,973,205
State aid funding, end of the year	(2,485,921)
Change in net position of governmental activities	$ 6,585,225

See notes to financial statements.

COOPERSVILLE AREA PUBLIC SCHOOLS
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

	Internal Service Fund
ASSETS	
Cash	$ 37,496
LIABILITIES	
Noncurrent liabilities	
Early retirement incentives due within one year	18,000
Early retirement incentives due in more than one year	6,000
TOTAL LIABILITIES	24,000
NET POSITION	
Proprietary fund net position	$ 13,496

See notes to financial statements.

COOPERSVILLE AREA PUBLIC SCHOOLS
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

	Internal Service Fund
OPERATING REVENUE	
Charges for services	$ 11,000
OPERATING EXPENSE	
Retirement expense	59,448
Operating income	(48,448)
NET POSITION	
Beginning of year	61,944
End of year	$ 13,496

See notes to financial statements.

COOPERSVILLE AREA PUBLIC SCHOOLS
PROPRIETARY FUND
STATEMENT CASH FLOWS
YEAR ENDED JUNE 30, 2022

	Internal Service Fund
CASH FLOWS FOR OPERATING ACTIVITIES	
Charges for services	$ 11,000
Payments to retirees	(62,448)
Net cash provided by operating activities	(51,448)
CASH AND CASH EQUIVALENTS	
Beginning of year	88,944
End of year	$ 37,496
CASH FOR OPERATING ACTIVITES	
Operating income	$ (48,448)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Early retirement incentives payable	(3,000)
Net cash provided by operating activities	$ (51,448)

See notes to financial statements.

COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

Reporting Entity

The Coopersville Area Public Schools (the "District") is governed by the Coopersville Area Public Schools Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following *Major Governmental Funds*:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Capital Improvement Fund* accounts for costs of construction projects and capital improvements. Financing is the general fund and budgeted annually.

The *2015A Refunding Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on debt related to the refunding bonds issued in 2015.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

Other Nonmajor Funds

The *Special Revenue Funds* account for revenue sources that are legally restricted or committed to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service, center stage, and student/school activities in the special revenue funds.

The *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal and ongoing operations. Proprietary funds are included in the government-wide statements.

The *Internal Service Fund* recognizes, as operating revenue, internal transfers intended to recover the cost of providing specific benefits to retired employees. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are generally collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, state and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts.

The state portion of the foundation is provided primarily by a state education property tax millage of 5.83 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by Non-PRE property taxes which may be levied at a rate of up to 17.83 mills as well as 5.83 mills for Commercial Personal Property Tax. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as intergovernmental receivables.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are generally considered to be measurable and available only when cash is received by the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue funds. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The District does not utilize encumbrance accounting.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.

b. Public hearings are conducted to obtain taxpayer comments.

c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.

d. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.

e. The budget was amended during the year with supplemental appropriations, the last one approved prior to year ended June 30, 2022. The District does not consider these amendments to be significant.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

<u>Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)</u>

Investments

In accordance with Michigan Compiled Laws, the District is authorized to invest in the following investment vehicles:

a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures not more than 270 days after the date of purchase.

d. The United States government or federal agency obligations repurchase agreements.

e. Bankers acceptances of United States banks.

f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and transportation vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Building and additions	40 - 50 years
Furniture and equipment	5 - 15 years
Transportation equipment	5 - 10 years
Land improvements	10 - 20 years

Defined Benefit Plans

For purposes of measuring the net pension and other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefits expense, information about the fiduciary net position of the Michigan Public Employees' Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. They are the deferred charge on refunding, pension, and other postemployment benefits related items reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period. The second and third items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary. The fourth item arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from receipts that are received after 60 days of year-end. These amounts will be deferred and recognized as inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

In the computation of net invested in capital assets, school loan revolving fund principal proceeds of $12,507,779 are considered capital-related debt. Accrued interest on the school loan revolving fund of $40,035 has been included in the calculation of unrestricted net position.

In addition, during the year ended June 30, 2021, and 2020, the District issued bonded debt in the amount of $16,200,000 and $23,225,000 used to make principal and interest payments related to the school loan revolving fund. A portion of these proceeds are not considered capital related debt as this amount was used to pay off accrued interest. The allocation of this debt not considered capital related at June 30, 2022 is $985,468.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

For the year ended June 30, 2022, the District levied the following amounts per $1,000 of assessed valuation:

Fund	Mills
General fund	
Non-Principal Residence Exemption (PRE)	17.83
Commercial Personal Property	5.83
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	8.99

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses (continued)

Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary and related benefits, where applicable.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenditures in the year in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2022, the District had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2022, $7,918,054 of the District's bank balance of $8,418,054 was exposed to custodial credit risk because it was uninsured and uncollateralized. The above amounts include interest bearing accounts. The carrying amount on the financial statements is $7,866,146.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

Investment Type	Fair Value	Weighted Average Maturity (Years)
Michigan Class Investment Pool - General	$ 1,523,079	0.0986
Portfolio weighted average maturity		0.0986

One day maturity equals 0.0027, one year equals 1.00

Concentration of Credit Risk

The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Type	Fair Value	Rating	Rating Agency
Michigan Class Investment Pool - General	$ 1,523,079	AAAm	Standard & Poor's

Foreign Currency Risk

The District is not authorized to invest in investments which have this type of risk.

Fair Value Measurement

The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District does not have any investments subject to the fair value measurement.

Investments in Entities that Calculate Net Asset Value per share

The District holds shares or interests in the Michigan CLASS investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invest in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statues and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

At the year ended June 30, 2022, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan Class Investment Pool - General	$ 1,523,079	$ -	No restrictions	None

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments in Entities that Calculate Net Asset Value per share (continued)

The following summarizes the categorization of these amounts at June 30, 2022:

Cash and cash equivalents	$ 7,866,146
Investments	1,523,079
	$ 9,389,225

NOTE 3 - CAPITAL ASSETS

A summary of changes in the District's capital assets are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Assets not being depreciated				
Land	$ 1,281,607	$ -	$ -	$ 1,281,607
Other capital assets				
Buildings and additions	83,987,407	-	-	83,987,407
Furniture and equipment	5,427,954	941,688	321,823	6,047,819
Transportation equipment	2,765,708	-	-	2,765,708
Land improvements	10,907,279	182,418	-	11,089,697
Subtotal	103,088,348	1,124,106	321,823	103,890,631
Accumulated depreciation				
Buildings and additions	28,928,621	1,453,187	-	30,381,808
Furniture and equipment	3,909,299	388,245	292,529	4,005,015
Transportation equipment	1,787,128	210,060	-	1,997,188
Land improvements	7,120,502	542,163	-	7,662,665
Total accumulated depreciation	41,745,550	2,593,655	292,529	44,046,676
Net capital assets being depreciated	61,342,798	(1,469,549)	29,294	59,843,955
Net governmental capital assets	$ 62,624,405	$ (1,469,549)	$ 29,294	$ 61,125,562

Depreciation expense is unallocated as the assets serve multiple functions.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2022 consist of the following:

Governmental units	
State aid	$ 4,531,559
Federal revenue	403,063
ISD and other	126,411
	$ 5,061,033

Because of the District's favorable collection experience, no allowance for doubtful accounts has been recorded.

NOTE 5 - LONG-TERM OBLIGATIONS

Interfund receivable and payable balances at June 30, 2022 are as follows:

Receivable Fund		Payable Fund	
General Fund	$ 7,947	General fund	$ 7,947
Nonmajor funds	7,947	Nonmajor funds	7,947
	$ 15,894		$ 15,894

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting systems, and (3) payments between funds are made.

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations for the District for the year ended June 30, 2022:

	General Obligation Bonds	Notes from Direct Borrowings and Direct Placements	Accumulated Compensated Absences	Accumulated Termination Benefits	Total
Balance, July 1, 2021	$ 72,375,432	$ 1,001	$ 382,247	$ 27,000	$ 72,785,680
Additions	-	12,546,813	-	59,448	12,606,261
Deletions	(16,161,637)	-	(11,509)	(62,448)	(16,235,594)
Balance, June 30, 2022	56,213,795	12,547,814	370,738	24,000	69,156,347
Due within one year	3,860,000	-	74,148	18,000	3,952,148
Due in more than one year	$ 52,353,795	$ 12,547,814	$ 296,590	$ 6,000	$ 65,204,199

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2022 are comprised of the following issues:

General Obligation Bonds	
2013 Refunding bonds due in annual installments of $215,000 through May 1, 2024 with interest of 3.00%.	$ 430,000
2015 Refunding bonds Series A due in annual installments of $100,000 to $1,770,000 through May 1, 2036 with interest from 3.375% to 5.00%.	3,070,000
2016 Refunding bonds due in installments of $680,000 to $1,680,000 through May 1, 2029 with interest from 4.00% to 5.00%.	8,415,000
2019 Refunding bonds due in installments of $1,875,000 to $4,670,000 through May 1, 2030 with interest from 2.15% to 2.75%.	23,225,000
2021 Refunding bonds due in installments of $160,000 to $5,220,000 through May 1, 2033 with interest from 1.10% to 2.25%.	16,200,000
Plus premium on bond refunding	4,873,795
Total general obligation bonds	56,213,795
Notes from Direct Borrowings and Direct Placements	
Borrowings from the State of Michigan under the School Loan Revolving including interest at 1.19% at June 30, 2022.	12,547,814
Total general obligation bonds and notes from direct borrowings and direct placements	68,761,609
Obligation under contract for compensated absences	370,738
Obligation under contract for termination benefits	24,000
Total long-term obligations	$ 69,156,347

Borrowing from the State of Michigan - The school loan revolving payable represents a note payable to the State of Michigan for loans made to the school district, as authorized by the State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the school district issued for capital expenditures. Interest rates are to be annually determined by the State Administrative Board. The interest rate at June 30, 2022 was 1.19%. Repayment is required when the millage rate necessary to cover the annual bonded debt services falls below 8.99 mills. The school district is required to levy 8.99 mills and repay to the state any excess of the amount levied over the bonded debt service requirements. The District currently levies 8.99 debt mills. Due to the variability of the factors that affect the timing of repayment, including the future amount of state-equalized value of property in the school district, no provision for repayment has been included in the following amortization schedule. The state may apply a default late charge on the note if the District does not make the repayments or apply the default late charge if the District fails to levy the appropriate debt mills. The state may also withhold state aid payments if the District is in default.

NOTE 6 - LONG-TERM OBLIGATIONS (continued)

The District has defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2022, $35,280,000 of bonds outstanding are considered defeased.

The annual requirements to amortize long-term debt obligations outstanding exclusive of school loan revolving fund and compensated absences and termination benefits payments as of June 30, 2022 are as follows:

Year Ending	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements		Compensated Absences and Termination	
June 30,	Principal	Interest	Principal	Interest	Benefits	Total
2023	$ 3,860,000	$ 1,469,024	$ -	$ -	$ -	$ 5,329,024
2024	3,990,000	1,333,704	-	-	-	5,323,704
2025	4,115,000	1,205,020	-	-	-	5,320,020
2026	4,410,000	1,064,120	-	-	-	5,474,120
2027	4,550,000	915,101	-	-	-	5,465,101
2027 - 2031	24,795,000	2,484,556	-	-	-	27,279,556
2032 - 2036	5,620,000	154,575	-	-	-	5,774,575
	51,340,000	8,626,100	-	-	-	59,966,100
Issuance premiums	4,873,795	-	-	-	-	4,873,795
School Loan Revolving Fund	-	-	12,507,779	40,035	-	12,547,814
Compensated absences and termination benefits	-	-	-	-	394,738	394,738
	$ 56,213,795	$ 8,626,100	$ 12,507,779	$ 40,035	$ 394,738	$ 77,782,447

Interest expense (all funds) for the year ended June 30, 2022 was approximately $2.2 million.

NOTE 7 - PENSION AND OTHER POST EMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the Board's authority to promulgate or amend the provisions of the System. MPSERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.michigan.gov/orsschools.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Plan Description (continued)

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act.

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State of Michigan Investment Board serves as the investment fiduciary and custodian for the System.

Benefits Provided - Overall

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the plans offered by MPSERS is as follows:

Plan Name	Plan Type	Plan Status
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Closed
Pension Plus 2	Hybrid	Open
Defined Contribution	Defined Contribution	Open

Benefits Provided – Pension

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Retirement benefits for DB plan members are determined by final average compensation and years of service. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPSERS) who became a member of MPSERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

Option 1 - Members voluntarily elected to increase their contributions to the pension fund as noted below and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

- Basic plan members: 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 - Members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

Option 3 - Members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

Option 4 - Members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to the tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k)-account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in their 457 account. Upon retirement, if they meet age and service requirements (including their total years of service), they would also receive a pension (calculated based on years of service and final average compensation as of the day before their transition date and a 1.5% pension factor).

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

Employees who first work on or after September 4, 2012 choose between two retirement plans: The Pension Plus Plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 plan with similar plan benefit calculations but containing a 50/50 cost share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan will close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law included other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

Benefits Provided - Other Postemployment Benefit (OPEB)

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree health care recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

Retiree Healthcare Reform of 2012

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Retiree Healthcare Reform of 2012 (continued)

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions will be deposited into their 401(k) accounts.

Regular Retirement (no reduction factor for age)

Eligibility - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through their 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount - The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

Member Contributions

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment benefits. Plan members electing the Defined Contribution plan are not required to make additional contributions.

Employer Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of pension benefits and OPEB. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

Pension and OPEB contributions made in the fiscal year ending September 30, 2021 were determined as of the September 30, 2018 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2018 are amortized over an 18-year period beginning October 1, 2020 and ending September 30, 2038.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (continued)

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	Pension	Other Postemployment Benefit
October 1, 2020 - September 30, 2021	13.39% - 19.78%	7.57% - 8.43%
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%

The District's pension contributions for the year ended June 30, 2022 were equal to the required contribution total. Total pension contributions were approximately $5,381,000. Of the total pension contributions approximately $5,214,000 was contributed to fund the Defined Benefit Plan and approximately $167,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2022 were equal to the required contribution total. Total OPEB contributions were approximately $1,325,000. Of the total OPEB contributions approximately $1,213,000 was contributed to fund the Defined Benefit Plan and approximately $112,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities

The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2020 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-university Employers	September 30, 2021	September 30, 2020
Total pension liability	$ 86,392,473,395	$ 85,290,583,799
Plan fiduciary net position	$ 62,717,060,920	$ 50,939,496,006
Net pension liability	$ 23,675,412,475	$ 34,351,087,793
Proportionate share	0.15458%	0.15018%
Net pension liability for the District	$ 36,597,424	$ 51,587,217

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the District recognized pension expense of $3,749,588.

At June 30, 2022, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 566,910	$ 215,515
Change of assumptions	2,306,971	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,082,219	306,882
Net difference between projected and actual earnings on pension plan investments	-	11,765,954
Reporting Unit's contributions subsequent to the measurement date	4,805,762	-
	$ 8,761,862	$ 12,288,351

$4,805,762, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Amount
2022	$ (915,269)
2023	(1,812,669)
2024	(2,551,920)
2025	(3,052,393)

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

<u>OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u>

OPEB Liabilities

The net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2020 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-university Employers	September 30, 2021	September 30, 2020
Total other postemployment benefits liability	$ 12,046,393,511	$ 13,206,903,534
Plan fiduciary net position	$ 10,520,015,621	$ 7,849,636,555
Net other postemployment benefits liability	$ 1,526,377,890	$ 5,357,266,979
Proportionate share	0.15744%	0.15155%
Net other postemployment benefits liablity for the District	$ 2,403,200	$ 8,118,748

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB benefit of $1,419,706.

At June 30, 2022, the Reporting Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 6,859,762
Change of assumptions	2,008,956	300,615
Changes in proportion and differences between employer contributions and proportionate share of contributions	488,219	161,698
Net difference between projected and actual earnings on other postemployment benefits plan investments	-	1,811,335
Reporting Unit's contributions subsequent to the measurement date	1,045,733	-
	$ 3,542,908	$ 9,133,410

$1,045,733, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	Amount
2022	$ (1,791,067)
2023	(1,616,208)
2024	(1,440,729)
2025	(1,316,528)
2026	(416,994)
2027	(54,709)

Actuarial Assumptions

Investment Rate of Return for Pension - 6.80% a year, compounded annually net of investment and administrative expenses for the MIP, Basic and Pension Plus groups and 6.00% a year, compounded annually net of investment and administrative expenses for Pension Plus 2 Plan.

Investment Rate of Return for OPEB - 6.95% a year, compounded annually net of investment and administrative expenses.

Salary Increases - The rate of pay increase used for individual members is 2.75% - 11.55%, including wage inflation at 2.75%.

Inflation - 3.0%.

Mortality Assumptions:

Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Active: RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Disabled Retirees: RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Experience Study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2020. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2018 valuation.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

The Long-Term Expected Rate of Return on Pension and Other Postemployment Benefit Plan Investments - The pension rate was 6.80% (MIP, Basic, and Pension Plus Plan) and 6.00% for Pension Plus 2 Plan, and the other postemployment benefit rate was 6.95%, net of investment and administrative expenses was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Cost of Living Pension Adjustments - 3.0% annual non-compounded for MIP members.

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.75% for year one and graded to 3.5% in year fifteen. Post 65, 5.25% for year one and graded to 3.5% in year fifteen.

Additional Assumptions for Other Postemployment Benefit Only - Applies to Individuals Hired Before September 4, 2012:

Opt Out Assumption - 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.

Survivor Coverage - 80% of male retirees and 67% of female retirees are assumed to have coverage continuing after the retiree's death.

Coverage Election at Retirement - 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

The target asset allocation at September 30, 2021 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.4%
International Equity Pools	15.0%	7.5%
Private Equity Pools	16.0%	9.1%
Real Estate and Infrastructure Pools	10.0%	5.4%
Fixed Income Pools	10.5%	-0.7%
Absolute Return Pools	9.0%	2.6%
Real Return/Opportunistic Pools	12.5%	6.1%
Short Term Investment Pools	2.0%	-1.3%
	100.0%	

* Long term rates of return are net of administrative expenses and 2.0% inflation.

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Rate of Return - For fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 27.3% and 27.14%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Discount Rate - A single discount rate of 6.80% was used to measure the total pension liability (6.00% for the Pension Plus 2 Plan). This discount rate was based on the expected rate of return on pension plan investments of 6.80% (6.00% for the Pension Plus 2 Plan). The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from school districts will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

OPEB Discount Rate - A single discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.95%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that school districts contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net pension liability calculated using a single discount rate of 6.80% (6.00% for the Pension Plus 2 Plan), as well as what the Reporting Unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	$ 52,324,391	$ 36,597,424	$ 23,558,737

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net OPEB liability calculated using a single discount rate of 6.95%, as well as what the Reporting Unit's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net OPEB liability	$ 4,465,579	$ 2,403,200	$ 652,976

Sensitivity to the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate, as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefits		
	1% Trend Decrease	Current Healthcard Cost Trend Rates	1% Trend Increase
Reporting Unit's proportionate share of the net OPEB liability	$ 584,920	$ 2,403,200	$ 4,448,984

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2021 Annual Comprehensive Financial Report.

Payable to the Pension and OPEB Plan - At year end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees and natural disasters. The District purchases commercial insurance to cover any losses that may result from the above-described activities. Various deductibles ranging from $250 to $10,000 are maintained to place the responsibility for certain charges with the insured. No settlements have occurred in excess of coverage for the year ended June 30, 2022.

NOTE 9 - TRANSFERS

The general fund transferred $1,480,000 to the capital improvement fund to cover future capital improvements. The food service fund transferred $45,000 to the general fund for current year indirect costs. The center stage fund transferred $15,000 to the general fund to reimburse for payments of current year expenditures.

NOTE 10 - TAX ABATEMENTS

The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Payments in Lieu of Taxes (PILOT) granted by two townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for the general fund and debt service fund by municipality under these programs are as follows:

Municipality	Taxes Abated
City of Coopersville	$ 146,021
Wright Township	7,202
Crockery Township	736
Chester Township	24
	$ 153,983

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's section 22 funding of the State School Aid Act.

There are no abatements made by the District.

NOTE 11 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE 12 - SUBSEQUENT EVENTS

On August 23, 2022, the District sold 2022 School Building and Site Bonds, Series I with a par amount of $22,750,000, and a premium amount of $471,792.

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2022, the District implemented the following new pronouncement: GASB Statement No. 87, *Leases*.

Summary:

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

There was no material impact on the District's financial statement after the adoption of GASB Statement 87.

NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENT

In May 2020, the GASB issued Statement No. 96, Subscription-based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

COOPERSVILLE AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	$ 2,505,800	$ 2,714,800	$ 2,499,508	$ (215,292)
State sources	25,631,400	26,517,500	26,498,006	(19,494)
Federal sources	941,900	1,471,500	1,576,965	105,465
Incoming transfers and other	2,679,300	2,942,900	2,900,629	(42,271)
TOTAL REVENUES	31,758,400	33,646,700	33,475,108	(171,592)
EXPENDITURES				
Current				
Instruction				
Basic programs	15,097,900	15,901,400	15,745,802	155,598
Added needs	3,555,200	3,543,100	3,617,246	(74,146)
Total instruction	18,653,100	19,444,500	19,363,048	81,452
Supporting services				
Pupil	1,690,500	1,920,400	1,966,586	(46,186)
Instructional staff	1,300,000	1,375,900	1,339,457	36,443
General administration	560,100	584,800	581,084	3,716
School administration	1,905,800	1,940,500	1,924,458	16,042
Business	305,000	280,000	265,250	14,750
Operation/maintenance	2,750,000	2,956,600	2,932,019	24,581
Pupil transportation	1,360,900	1,189,000	1,144,188	44,812
Central	880,000	800,000	795,934	4,066
Athletics	600,000	630,000	635,358	(5,358)
Total supporting services	11,352,300	11,677,200	11,584,334	92,866
Community services	307,500	377,500	405,763	(28,263)
Capital outlay	25,000	50,000	35,725	14,275
TOTAL EXPENDITURES	30,337,900	31,549,200	31,388,870	160,330
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,420,500	2,097,500	2,086,238	(11,262)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	312	312
Transfers in	60,000	60,000	60,000	-
Transfers out	(1,000,000)	(1,480,000)	(1,480,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(940,000)	(1,420,000)	(1,419,688)	312
NET CHANGE IN FUND BALANCE	$ 480,500	$ 677,500	666,550	$ (10,950)
FUND BALANCE				
Beginning of year			5,845,954	
End of year			$ 6,512,504	

COOPERSVILLE AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)

	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.15458%	0.15018%	0.14978%	0.15159%	0.15345%	0.15336%	0.14904%	0.14982%
Reporting Unit's proportionate share of net pension liability	$ 36,597,424	$ 51,587,217	$ 49,602,478	$ 45,570,086	$ 39,766,678	$ 38,262,941	$ 36,403,072	$ 33,000,664
Reporting Unit's covered-employee payroll	$ 14,261,095	$ 13,449,706	$ 13,097,978	$ 12,856,009	$ 12,774,655	$ 13,124,830	$ 12,417,559	$ 12,720,273
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	256.62%	383.56%	378.70%	354.47%	311.29%	291.53%	293.16%	259.43%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

COOPERSVILLE AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 5,214,105	$ 4,191,538	$ 4,060,418	$ 3,917,410	$ 4,000,466	$ 3,588,070	$ 2,006,036	$ 2,102,350
Contributions in relation to statutorily required contributions	5,214,105	4,191,538	4,060,418	3,917,410	4,000,466	3,588,070	2,006,036	2,102,350
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 14,711,476	$ 13,866,385	$ 13,432,428	$ 13,055,363	$ 12,751,858	$ 12,729,372	$ 12,623,947	$ 12,531,252
Contributions as a percentage of covered-employee payroll	35.44%	30.23%	30.23%	30.01%	31.37%	28.19%	15.89%	16.78%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

COOPERSVILLE AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)

	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability (%)	0.15744%	0.15155%	0.14971%	0.15095%	0.15354%
Reporting Unit's proportionate share of net OPEB liability	$ 2,403,200	$ 8,118,748	$ 10,746,047	$ 11,999,108	$ 13,596,686
Reporting Unit's covered-employee payroll	$ 14,261,095	$ 13,449,706	$ 13,097,978	$ 12,856,009	$ 12,774,655
Reporting Unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	16.85%	60.36%	82.04%	93.33%	106.43%
Plan fiduciary net position as a percentage of total net OPEB liability (Non-university employers)	87.33%	59.44%	48.46%	42.95%	36.39%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

COOPERSVILLE AREA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST TEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)

	2022	2021	2020	2019	2018
Statutorily required contributions	$ 1,213,463	$ 1,053,441	$ 1,137,107	$ 1,073,228	$ 1,128,949
Contributions in relation to statutorily required contributions	1,213,463	1,053,441	1,137,107	1,073,228	1,128,949
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Reporting Unit's covered-employee payroll	$ 14,711,476	$ 13,866,385	$ 13,432,428	$ 13,055,363	$ 12,751,858
Contributions as a percentage of covered-employee payroll	8.25%	7.60%	8.47%	8.22%	8.85%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022

NOTE 1 - PENSION INFORMATION

Benefit Changes - there were no changes of benefit terms in 2021.

Changes of Assumptions - there were no changes in assumptions in 2021.

NOTE 2 - OPEB INFORMATION

Benefit Changes - there were no changes of benefit terms in 2021.

Changes of Assumptions - the assumption changes for 2021 were:

> Healthcare cost trend rate was broken into two groups, Pre 65 and Post 65. The Pre 65 rate is 7.75% Year 1 graded to 3.50% Year 15. The Post 65 rate is 5.25% Year 1 graded to 3.50% Year 15. The prior healthcare cost trend rate was reported as one group with a rate of 7.00% Year 1 graded to 3.50% Year 15.

ADDITIONAL SUPPLEMENTARY INFORMATION

COOPERSVILLE AREA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2022

	Special Revenue	Debt Service	Total Nonmajor Funds
ASSETS			
Cash and cash equivalents	$ 1,077,691	$ 141,889	$ 1,219,580
Receivables			
Accounts	6,971	10	6,981
Intergovernmental	53,392	-	53,392
Due from other funds	7,947	-	7,947
Inventories	29,695	-	29,695
Prepaids	53,455	-	53,455
TOTAL ASSETS	$ 1,229,151	$ 141,899	$ 1,371,050
LIABILITIES			
Accounts payable	$ 45,774	$ 1,000	$ 46,774
Accrued salaries and related items	9,364	-	9,364
Accrued retirement	7,054	-	7,054
Unearned revenue	18,751	-	18,751
Due to other funds	7,947	-	7,947
TOTAL LIABILITIES	88,890	1,000	89,890
FUND BALANCES			
Nonspendable			
Inventories	29,695	-	29,695
Prepaids	53,455	-	53,455
Restricted			
Food service	760,812	-	760,812
Debt service	-	140,899	140,899
Committed			
Center Stage	42,296	-	42,296
Student/school activities	254,003	-	254,003
TOTAL FUND BALANCES	1,140,261	140,899	1,281,160
TOTAL LIABILITIES AND FUND BALANCES	$ 1,229,151	$ 141,899	$ 1,371,050

COOPERSVILLE AREA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2022

	Special Revenue	Debt Service	Total Nonmajor Funds
REVENUES			
Local sources			
Property taxes	$ -	$ 871,865	$ 871,865
Food sales	86,668	-	86,668
Ticket sales	54,833	-	54,833
Student/school activities	315,967	-	315,967
Investment earnings	5,472	1,896	7,368
Other	121,878	29,615	151,493
Total local sources	584,818	903,376	1,488,194
State sources	116,596	30,973	147,569
Federal sources	1,675,312	-	1,675,312
TOTAL REVENUES	2,376,726	934,349	3,311,075
EXPENDITURES			
Current			
Food service activities	1,502,276	-	1,502,276
Community service activities	42,237	-	42,237
Student/school activities	334,575	-	334,575
Capital outlay	267,066	-	267,066
Debt service			
Principal repayment	-	3,715,000	3,715,000
Interest	-	1,464,362	1,464,362
Other	-	9,551	9,551
TOTAL EXPENDITURES	2,146,154	5,188,913	7,335,067
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	230,572	(4,254,564)	(4,023,992)
OTHER FINANCING SOURCES (USES)			
Proceeds from school loan revolving fund	-	4,307,221	4,307,221
Transfers out	(60,000)	-	(60,000)
TOTAL OTHER FINANCING SOURCES (USES)	(60,000)	4,307,221	4,247,221
NET CHANGE IN FUND BALANCES	170,572	52,657	223,229
FUND BALANCES			
Beginning of year	969,689	88,242	1,057,931
End of year	$ 1,140,261	$ 140,899	$ 1,281,160

COOPERSVILLE AREA PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Food Service	Center Stage	Student/ School Activities	Totals
ASSETS				
Cash and cash equivalents	$ 765,102	$ 47,822	$ 264,767	$ 1,077,691
Receivables				
Accounts	-	6,971		6,971
Intergovernmental	53,392	-	-	53,392
Due from other funds	7,947	-	-	7,947
Inventories	29,695	-	-	29,695
Prepaids	50,000	-	3,455	53,455
TOTAL ASSETS	$ 906,136	$ 54,793	$ 268,222	$ 1,229,151
LIABILITIES				
Accounts payable	$ 34,513	$ 497	$ 10,764	$ 45,774
Accrued salaries and related items	6,646	2,718	-	9,364
Accrued retirement	5,719	1,335	-	7,054
Unearned revenue	18,751	-	-	18,751
Due to other funds	-	7,947	-	7,947
TOTAL LIABILITIES	65,629	12,497	10,764	88,890
FUND BALANCES				
Nonspendable				
Inventories	29,695	-	-	29,695
Prepaids	50,000	-	3,455	53,455
Restricted for food service	760,812	-	-	760,812
Committed				
Center Stage	-	42,296	-	42,296
Student/school activities	-	-	254,003	254,003
TOTAL FUND BALANCES	840,507	42,296	257,458	1,140,261
TOTAL LIABILITIES AND FUND BALANCES	$ 906,136	$ 54,793	$ 268,222	$ 1,229,151

COOPERSVILLE AREA PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022

	Food Service	Center Stage	Student/ School Activities	Totals
REVENUES				
Local sources				
Food sales	$ 86,668	$ -	$ -	$ 86,668
Ticket sales	-	54,833	-	54,833
Student/school activities	-	-	315,967	315,967
Investment earnings	4,025	1,447	-	5,472
Other	121,878	-	-	121,878
Total local sources	212,571	56,280	315,967	584,818
State sources	115,937	659	-	116,596
Federal sources	1,675,312	-	-	1,675,312
TOTAL REVENUES	2,003,820	56,939	315,967	2,376,726
EXPENDITURES				
Salaries	145,440	12,713	-	158,153
Benefits	80,163	4,422	-	84,585
Purchased services	448,890	8,540	-	457,430
Supplies and materials	824,371	16,562	-	840,933
Capital outlay	267,066	-	-	267,066
Student/school activities	-	-	334,575	334,575
Other	3,412	-	-	3,412
TOTAL EXPENDITURES	1,769,342	42,237	334,575	2,146,154
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	234,478	14,702	(18,608)	230,572
OTHER FINANCING SOURCES (USES)				
Transfers out	(37,053)	(22,947)	-	(60,000)
NET CHANGE IN FUND BALANCES	197,425	(8,245)	(18,608)	170,572
FUND BALANCES				
Beginning of year	643,082	50,541	276,066	969,689
End of year	$ 840,507	$ 42,296	$ 257,458	$ 1,140,261

COOPERSVILLE AREA PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	2013	2016	2019	2021	Totals
ASSETS					
Cash and cash equivalents	$ 114,561	$ -	$ 4,328	$ 23,000	$ 141,889
Accounts receivable	3	6	1	-	10
TOTAL ASSETS	$ 114,564	$ 6	$ 4,329	$ 23,000	$ 141,899
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 1,000	$ 1,000
FUND BALANCES					
Restricted for debt service	114,564	6	4,329	22,000	140,899
TOTAL LIABILITIES AND FUND BALANCES	$ 114,564	$ 6	$ 4,329	$ 23,000	$ 141,899

COOPERSVILLE AREA PUBLIC SCHOOLS
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022

	2013	2016	2019	2021	Totals
REVENUES					
Local sources					
Property taxes	$ 189,882	$ 288,752	$ 144,380	$ 248,851	$ 871,865
Investment earnings	991	424	206	275	1,896
Other	-	-	4,329	25,286	29,615
Total local revenues	190,873	289,176	148,915	274,412	903,376
State sources	6,766	10,251	5,125	8,831	30,973
TOTAL REVENUES	197,639	299,427	154,040	283,243	934,349
EXPENDITURES					
Principal repayment	215,000	3,500,000	-	-	3,715,000
Interest	19,350	559,850	591,996	293,166	1,464,362
Other	2,005	3,086	1,792	2,668	9,551
TOTAL EXPENDITURES	236,355	4,062,936	593,788	295,834	5,188,913
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(38,716)	(3,763,509)	(439,748)	(12,591)	(4,254,564)
OTHER FINANCING SOURCES (USES)					
Proceeds from school loan revolving fund	84,470	3,750,123	442,323	30,305	4,307,221
NET CHANGE IN FUND BALANCES	45,754	(13,386)	2,575	17,714	52,657
FUND BALANCES					
Beginning of year	68,810	13,392	1,754	4,286	88,242
End of year	$ 114,564	$ 6	$ 4,329	$ 22,000	$ 140,899

COOPERSVILLE AREA PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2022

2013 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2023	3.000%	$ 215,000	$ 6,450	$ 6,450	$ 227,900
2024	3.000%	215,000	3,225	3,225	221,450
Total 2013 Bonded Debt		$ 430,000	$ 9,675	$ 9,675	$ 449,350

The above bonds were issued March 26, 2013 for the purpose of refunding the 2004 building and site bonds. The amount of the original issue was $2,180,000.

COOPERSVILLE AREA PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2022

2015 Refunding Bonds - Series A

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2023	5.000%	$ 1,770,000	$ 67,750	$ 67,750	$ 1,905,500
2024	4.000%	100,000	23,500	23,500	147,000
2025	4.000%	100,000	21,500	21,500	143,000
2026	4.000%	100,000	19,500	19,500	139,000
2027	4.000%	100,000	17,813	17,813	135,625
2028	3.375%	100,000	16,125	16,125	132,250
2029	3.375%	100,000	14,438	14,438	128,875
2030	3.375%	100,000	12,688	12,688	125,375
2031	3.500%	100,000	10,938	10,938	121,875
2032	3.500%	100,000	9,188	9,188	118,375
2033	3.500%	100,000	7,375	7,375	114,750
2034	3.625%	100,000	5,563	5,563	111,125
2035	3.625%	100,000	3,750	3,750	107,500
2036	3.750%	100,000	1,875	1,875	103,750
Total 2015A Refunding Debt		$ 3,070,000	$ 232,000	$ 232,000	$ 3,534,000

The above bonds were issued August 11, 2015 for the purpose of refunding the 2005 refunding bonds. The amount of the original issue was $32,495,000.

COOPERSVILLE AREA PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2022

2016 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2023	5.000%	$ -	$ 192,425	$ 192,425	$ 384,850
2024	5.000%	1,290,000	192,425	192,425	1,674,850
2025	5.000%	1,545,000	160,175	160,175	1,865,350
2026	5.000%	1,590,000	121,550	121,550	1,833,100
2027	4.000%	1,630,000	81,800	81,800	1,793,600
2028	4.000%	1,680,000	49,200	49,200	1,778,400
2029	5.000%	680,000	13,600	13,600	707,200
Total 2016 Refunding Bonds		$ 8,415,000	$ 811,175	$ 811,175	$ 10,037,350

The above bonds were issued February 4, 2016 for the purpose of refunding the 2006 refunding bonds. The amount of the original issue was $15,915,000.

COOPERSVILLE AREA PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2022

2019 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2023	2.150%	$ 1,875,000	$ 295,998	$ 295,998	$ 2,466,996
2024	2.250%	2,385,000	275,813	275,813	2,936,626
2025	2.420%	2,470,000	248,946	248,946	2,967,892
2026	2.520%	2,560,000	219,121	219,121	2,998,242
2027	2.600%	2,655,000	186,929	186,929	3,028,858
2028	2.650%	2,740,000	152,481	152,481	3,044,962
2029	2.700%	3,870,000	116,244	116,244	4,102,488
2030	2.750%	4,670,000	64,096	64,096	4,798,192
Total 2019 Refunding Bonds		$ 23,225,000	$ 1,559,628	$ 1,559,628	$ 26,344,256

The above bonds were issued December 3, 2019 for the purpose of refunding outstanding school bond loan fund principal and interest. The amount of the original issue was $23,225,000.

COOPERSVILLE AREA PUBLIC SCHOOLS
BONDED DEBT - PRINCIPAL AND INTEREST REQUIREMENTS
JUNE 30, 2022

2021 Refunding Bonds

Fiscal Year	Interest Rate	Principal Due May 1	Interest Due May 1	Interest Due November 1	Total Due Annually
2023	2.120%	$ -	$ 171,889	$ 171,889	$ 343,778
2024	2.120%	-	171,889	171,889	343,778
2025	2.120%	-	171,889	171,889	343,778
2026	1.100%	160,000	171,889	171,889	503,778
2027	1.450%	165,000	171,009	171,009	507,018
2028	1.600%	175,000	169,813	169,813	514,626
2029	1.850%	185,000	168,413	168,413	521,826
2030	1.950%	200,000	166,701	166,701	533,402
2031	2.050%	4,990,000	164,751	164,751	5,319,502
2032	2.150%	5,105,000	113,604	113,604	5,332,208
2033	2.250%	5,220,000	58,725	58,725	5,337,450
Total 2021 Refunding Bonds		$ 16,200,000	$ 1,700,572	$ 1,700,572	$ 19,601,144

The above bonds were issued June 24, 2021 for the purpose of refunding outstanding school bond loan fund principal and interest. The amount of the original issue was $16,200,000.

COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF BORROWINGS - STATE OF MICHIGAN
SCHOOL LOAN REVOLVING FUND PROGRAM
JUNE 30, 2022

Amounts needed for the payment of bond principal and interest in excess of receipts from property taxes are borrowed from the Michigan School Loan Revolving Fund. These loans, together with accrued interest payable thereon, are to be repaid when the debt retirement millage rate provides funds in excess of the amounts needed to pay current bond maturities and interest. The borrowings from and repayments to the State under this program have been summarized as follows:

Year Ended June 30,	Loan Proceeds	Interest Expense	Loan Balance
2015	$ 22,488,547	$ 3,303,906	$ 25,792,453
2016	-	116,134	116,134
2016 repayment	(21,646,047)	(3,400,340)	(25,046,387)
2017	-	21,464	21,464
2017 repayment	(840,745)	(41,155)	(881,900)
2018	9,208,459	54,364	9,262,823
2019	12,046,236	401,870	12,448,106
2020	4,912,235	332,732	5,244,967
2020 repayment	(22,246,685)	(765,906)	(23,012,591)
2021	11,897,834	196,494	12,094,328
2021 repayment	(15,818,834)	(219,562)	(16,038,396)
2022	12,506,779	40,034	12,546,813
Total at June 30, 2022	$ 12,507,779	$ 40,035	$ 12,547,814

COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued (Unearned) Revenue 7/1/2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (Unearned) Revenue 6/30/2022
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
Non-cash assistance (donated foods)								
Entitlement Donated Foods	10.555	N/A	$ 87,935	$ -	$ -	$ 87,935	$ 87,935	$ -
Cash Assistance								
COVID-19 - National School Lunch Program	10.555	220910	51,443	-	-	51,443	51,443	-
COVID-19 - National School Lunch Program		221961	1,079,209	-	-	1,079,209	1,044,958	34,251
COVID-19 - National School Lunch Program		211961	150,931	-	-	150,931	150,931	-
COVID-19 - National School Lunch Program		211965	1,465	-	-	1,465	1,465	-
			1,283,048	-	-	1,283,048	1,248,797	34,251
Total ALN 10.555			1,370,983	-	-	1,370,983	1,336,732	34,251
COVID-19 - School Breakfast Program	10.553	221971	205,747			205,747	197,622	8,125
COVID-19 - School Breakfast Program		211971	26,657	-	-	26,657	26,657	-
Total ALN 10.553			232,404	-	-	232,404	224,279	8,125
COVID-19 - Summer Food Service Program for Children	10.559	220900	11,078	-	-	11,078	-	11,078
COVID-19 - Summer Food Service Program for Children		210904	274,450	216,666	-	57,784	274,450	-
Total ALN 10.559			285,528	216,666	-	68,862	274,450	11,078
Total cash assistance			1,800,980	216,666	-	1,584,314	1,747,526	53,454
Total Child Nutrition Cluster			1,888,915	216,666	-	1,672,249	1,835,461	53,454
COVID-19 - Pandemic EBT Local Level Costs	10.649	210980	3,063	-	-	3,063	3,063	-
Total U.S. Department of Agriculture			1,891,978	216,666	-	1,675,312	1,838,524	53,454

The accompanying notes are an integral part of this schedule.

COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued (Unearned) Revenue 7/1/2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (Unearned) Revenue 6/30/2022
U.S. Department of Education								
Passed through Michigan Department of Education								
Title I Grants to Local Educational Agencies	84.010	221530-2122	$ 191,941	$ -	$ -	$ 191,941	$ 191,941	$ -
Title I Grants to Local Educational Agencies		211530-2021	194,015	24,512	194,015	-	24,512	-
Total ALN 84.010			385,956	24,512	194,015	191,941	216,453	-
Migrant Education State Program	84.011	221890-2122	35,518	-	-	35,518	35,518	-
Supporting Effective Instruction State Grants	84.367	220520-2122	88,459	-	-	88,459	88,459	-
Supporting Effective Instruction State Grants		210520-2021	51,146	6,000	20,678	-	6,000	-
Total ALN 84.367			139,605	6,000	20,678	88,459	94,459	-
Student Support and Academic Enrichment	84.424	220750-2122	14,125	-	-	14,125	14,125	-
Education Stabilization Fund								
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER I Formula Funds)	84.425D	203710-1920	161,679	15,154	161,679	-	15,154	-
COVID-19 Governor's Emergency Education Relief Funds (GEER II Teacher and Support Staff Payments)	84.425C	211202-2122	14,000	-	-	14,000	14,000	-
(GEER II Benchmark Assessment Funds)	84.425C	211222-2022	20,087	-	-	20,087	20,087	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II Summer Program K-8)	84.425D	213722-2122	77,000	-	-	77,000	77,000	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II Credit Recovery 9-12)	84.425D	213742-2122	19,250	-	-	19,250	19,250	-
Passed through Ottawa Area Intermediate School District								
COVID-19 Elementary and Secondary School Emergency Relief Fund (Education for Homeless Children and Youth - ARP)	84.425W	211020-2122	1,367	-	-	1,367	-	1,367
Total ALN 84.425			293,383	15,154	161,679	131,704	145,491	1,367

The accompanying notes are an integral part of this schedule.

COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Grantor's Number	Approved Grant Award Amount	Accrued (Unearned) Revenue 7/1/2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (Unearned) Revenue 6/30/2022
U.S. Department of Education (continued)								
Passed through Ottawa Area Intermediate School District								
Special Education Cluster								
Special Education Grants to States	84.027	220450-2122	$ 660,105	$ -	$ -	$ 660,105	$ 340,663	$ 319,442
Special Education Grants to States		201450-2021	610,636	289,010	610,636	-	289,010	-
Total ALN 84.027			1,270,741	289,010	610,636	660,105	629,673	319,442
Special Education Preschool Grants	84.173	220460-2122	16,403	-	-	16,403	9,973	6,430
Special Education Preschool Grants		201460-2021	11,322	5,030	11,322	-	5,030	-
Total ALN 84.173			27,725	5,030	11,322	16,403	15,003	6,430
Total Special Education Cluster			1,298,466	294,040	621,958	676,508	644,676	325,872
English Language Acquisition State Grants	84.365	220580-2122	8,611	-	-	8,611	6,956	1,655
English Language Acquisition State Grants		210580-2021	8,741	2,446	8,741	-	2,446	-
Total ALN 84.365			17,352	2,446	8,741	8,611	9,402	1,655
Total U.S. Department of Education			2,184,405	342,152	1,007,071	1,146,866	1,160,124	328,894
U.S. Department of Health and Human Services								
Passed through Ottawa Area Intermediate School District								
Medicaid Cluster								
Medical Assistance Program	93.778	N/A	3,300	-	-	3,300	3,300	-
Passed through Ottawa County Health Department								
MDHHS Health Resource Advocate (HRA) Funding	93.323	N/A	82,885	-	-	82,885	62,170	20,715
Total U.S. Department of Health and Human Services			86,185	-	-	86,185	65,470	20,715
TOTAL FEDERAL AWARDS			$ 4,162,568	$ 558,818	$ 1,007,071	$ 2,908,363	$ 3,064,118	$ 403,063

The accompanying notes are an integral part of this schedule.

COOPERSVILLE AREA PUBLIC SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Coopersville Area Public Schools under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Coopersville Area Public Schools, it is not intended to and does not present the financial position or changes in net position of Coopersville Area Public Schools.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. Coopersville Area Public Schools has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Management has utilized the Nexsys Cash Management System and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards. The District does not pass-through federal awards.

NOTE 3 - RECONCILING WITH AUDITED FINANCIAL STATEMENTS

Federal expenditures are reported as revenue in the following funds in the financial statements for the period ending June 30, 2022:

General fund	$ 1,576,965
Other nonmajor governmental funds	1,675,312
Total federal revenue in the fund financial statements	3,252,277
Less: Federal assistance funding not subject to single audit act	(343,914)
Expenditures per schedule of expenditures of federal awards	$ 2,908,363

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Coopersville Area Public Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coopersville Area Public Schools as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Coopersville Area Public Schools' basic financial statements and have issued our report thereon dated October 10, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coopersville Area Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coopersville Area Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Coopersville Area Public Schools' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coopersville Area Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maner Costerisan PC

October 10, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Coopersville Area Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coopersville Area Public Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Coopersville Area Public Schools' major federal programs for the year ended June 30, 2022. Coopersville Area Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Coopersville Area Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Coopersville Area Public Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Coopersville Area Public Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Coopersville Area Public Schools' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coopersville Area Public Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Coopersville Area Public Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Coopersville Area Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Coopersville Area Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Coopersville Area Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Maner Costerisan PC

October 10, 2022

COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEUDLE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:	*Unmodified*			
Internal control over financial reporting:				
➢ Material weakness(es) identified?		Yes	X	None
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es)?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	None

Federal Awards

Internal control over major programs:				
➢ Material weakness(es) identified?		Yes	X	None
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es)?		Yes	X	None reported
Type of auditor's report issued on compliance for major	*Unmodified*			
Any audit findings that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?		Yes	X	No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
10.555, 10.553, & 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type	$750,000			
Auditee qualified as low-risk auditee?	X	Yes		No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Question Costs

None

COOPERSVILLE AREA PUBLIC SCHOOLS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

There were no audit findings required to be reported on this schedule in the prior year.

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

October 10, 2022

To the Board of Education
Coopersville Area Public Schools

In planning and performing our audit of the financial statements of Coopersville Area Public Schools as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Coopersville Area Public Schools' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted one matter involving internal control and other operational matters that is presented for your consideration. This letter does not affect our report dated October 10, 2022 on the financial statements of Coopersville Area Public Schools. We will review the status of this comment during our next audit engagement. Our comment and recommendation, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, perform any additional study of this matter, or assist you in implementing the recommendations. Our comment is summarized as follows.

Food Service Fund Balance

Per Michigan Department of Education (MDE) guidelines, school food authorities (SFA) must operate food services on a nonprofit basis. We noted that the food service fund balance exceeded the three months' operating expenditures allowed. MDE requires that the SFA spend down the excess by the end of the next school year. We recommend that Coopersville Area Public Schools develop a plan to spend down the excess by June 30, 2023 and submit the plan to MDE.

This report is intended solely for the information and use of management, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation we received from your staff during our engagement and the opportunity to be of service.

Very truly yours,

Maner Costerisan PC

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
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October 10, 2022

To the Board of Education
Coopersville Area Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coopersville Area Public Schools for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Matters</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Coopersville Area Public Schools are described in Note 1 to the financial statements. In the current year, the District adopted new accounting guidance, GASB No. 87, Leases. The application of existing policies was not changed during fiscal year 2022. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability. We evaluated the key factors and assumptions used to develop the balance of the net pension liability and net other postemployment benefit liability in determining that they are reasonable in relation to the financial statements taken as a whole.

> Management's estimate in calculating the liability for employee compensated absences. We evaluated the key factors and assumptions used to develop the balance of employee compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's determination of the estimated life span of the capital assets. We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole. In addition, certain amounts included in capital assets have been estimated based on an outside appraisal company.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any sensitive disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 10, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) which are required and supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompany the financial statements but are not RSI. With respect to this other supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of Coopersville Area Public Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maner Costerisan PC